Exhibit 2

Photo Illustration by Emil Lendof/The Daily Beast

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Michael Weiss

Russians Stick U.S. With $50K Plaza Hotel Bar Bill

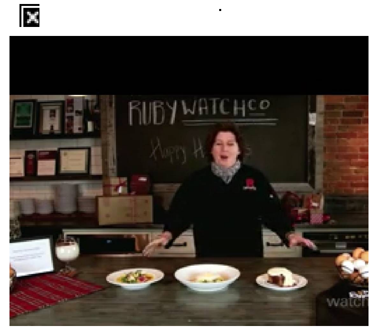
Three Russian businessmen snared in a money-laundering case racked up $50K in hotel and bar expenses—and they're claiming the U.S. government has to pay the bill.

Three Russian businessmen snared in a far-reaching U.S. money-laundering case racked up over $50,000 in hotel and meal "expenses" during their four-day depositions in New York, The Daily Beast has learned, based on publicly available documents.

Their bill was paid with money the U.S. government alleges was stolen almost a decade ago from Russian taxpayers. The feds had no choice but to comply with the reimbursement, as per the rules of deposing witnesses, but they're now asking the presiding judge about stays at the Plaza, 18-course dinners, and multiple bottles of vino and grappa.

Denis Katsyv, Alexander Litvak, and Timofey Krit were also questioned as witnesses by the U.S. government in October, in relation to their legal roles with Prevezon Holdings Ltd. The Cyprus-registered company, and its various subsidiaries, are the "defendants" in a New York civil case set to go to trial on Jan. 6, 2016, in connection with the notorious Magnitsky affair. That $230 million tax fraud, which became an international cause célèbre in the fight against Putinist corruption, cost the attorney who first uncovered it his life in a Moscow prison in 2009.

Prevezon and its subsidiaries are accused of moving stolen property through the U.S.



banking system and of investing the interest and proceeds in various pieces of expensive Manhattan real estate, all in violation of U.S. anti-money laundering laws. One attorney for Prevezon insists that all the company deposits that have been scrutinized by the U.S. attorney were above-board and related to a business deal that had nothing to do with the Klyuev Group.

Katsyv is cited in the docket as current owner of Prevezon. Krit is the former nominal owner of Prevezon who sold all his shares to Katsyv in 2008. Litvak is Katsyv's "business partner" as well as the "beneficial owner" of Prevezon's bank accounts. No criminal charges have been brought against any of these witnesses.

According to a letter sent to Judge Thomas P. Griesa by Preet Bharara, the U.S. Attorney trying the case, the Russians' expenses, which they initially paid themselves, included a two-night stay at the Plaza—at a cost of $995 per night—for Natalia Veselnitskaya, their Russian attorney, who wasn't deposed and "did not even attend the depositions in person."

But Veselnitskaya and her clients had themselves a grand old time in Gotham, spending on "expensive meals…such as a $793.29 dinner for five individuals (although, again, only three witnesses were deposed), which included 18 dishes, eight grappas, and two expensive bottles of wine," according to Bharara's letter, which The Daily Beast has reviewed. Moreover, the letter states that Veselnitskaya's weekend stay at the Plaza occurred *after* the depositions of Katsyv, Litvak, and Krit, "and only after the Court orally stated that the Government would be responsible for reimbursing Defendants' expenses."

Bharara's letter formally seeks a court order to determine the reasonableness of these expenses and bar the witnesses from claiming any further reimbursements.

The New York-based assets of Prevezon at one time included four condo units at 20 Pine Street, in the Financial District, each valued close to or in excess of $1 million; a $4.4 million condo at 250 East 49th Street in Turtle Bay; and an unknown amount of funds on deposit in eight separate Bank of America accounts in the name of different limited liability companies registered in New York.

Most of the apartments generated hundreds of thousands of dollars in rental income and were sold off in connection with a 2014 Stipulation and Order of Interlocutory Sale, which mandated that the proceeds be transferred to the U.S. government pending the outcome of the current asset forfeiture litigation. In total, the U.S. has frozen $14 million in Prevezon's assets.

One of the Pine Street condos, Unit 1711, is listed on BroadwayRealty.com as a 1,250-square-foot two-bedroom loft with Armani Casa design in "one of the most exclusive and luxurious buildings in [sic] downtown area." The address boasts a library lounge, a pool, a Turkish bath, a gym, a spa, and a yoga-and-meditation studio.

If the U.S. government wins the case, then these and other tony Manhattan residences will have been proven in court to have been purchased using some of the $230 million stolen in Russia in 2007-2008 by the so-called Klyuev Group, which U.S. Sen. John McCain has called a "dangerous transnational criminal organization," headed by a convicted fraudster and staffed by pubic servants of the Russian Federation.

> **Their bill was paid with money the U.S. government alleges was stolen almost a decade ago from Russian taxpayers.**

The federal complaint traces the sinuous global course much of the money allegedly took: some of it being invested in luxury apartment complexes in Dubai; some of it being transferred between Russian banks and then into Moldovan, Swiss, Latvian, and Estonian ones before alighting in Prevezon's Bank of America accounts.

Kluyev's organization allegedly consists of crooked Russian tax officials, Interior Ministry police officers and even agents of the Federal Security Service (FSB), one of the successors of the Soviet KGB. Using stolen and re-registered subsidiaries belonging to the Hermitage Fund, then the country's largest foreign portfolio investor, they concocted fake civil lawsuits to claim that the subsidiaries had overpaid corporate taxes, according to the investigation conducted by Sergei Magnitsky, a Russian tax lawyer employed by the Hermitage Fund—an investigation that was never legitimately pursued by Russian authorities. The single largest tax refund in Russian history was subsequently issued within 24 hours, on Christmas Eve in 2007, by two Moscow tax offices run by members of the Klyuev Group.

Altogether, this state-affiliate mafia stands accused of robbing Russian taxpayers of about $800 million in separate tax refund schemes over the course of a decade. Yet the organization's very existence, not to mention trail of criminality, only became public knowledge after Magnitsky uncovered the massive theft using his client's companies.

Magnitsky was arrested in 2008 by the very policemen he fingered as suspects in the Hermitage heist. He was jailed for almost a year without trial in Moscow, denied medical treatment for chronic ailments, tortured, and ultimately beaten to death in an isolation cell, as former Russian President Dmitry Medvedev's Human Rights Council later concluded.

None of the masterminds or major criminals whom Magnitsky named, be they government employees or ex-cons, has ever been indicted (two low-level assailants were convicted and received minimal sentences). Rather, the lawyer himself was put on trial in 2013 and found guilty posthumously of tax evasion, along with his client, William Browder, the London-based CEO of Hermitage Fund, in a farce of judicial theatre condemned by all major governments and the Council of Europe as politically motivated.

Ignoring the findings of its own human-rights monitor, the Kremlin continues to aver Magnitsky's culpability, insisting that he died of natural causes—a heart attack—and denying any violation of his legal rights while in pretrial detention.

In 2012, Congress passed the Sergei Magnitsky Rule of Law Accountability Act, which forces the U.S. president to publish a register of all known assailants or beneficiaries of the fraud.

Katsyv, Litvak, and Krit now allegedly qualify, although there is no evidence produced by the Justice Department of their direct relationship to any members of the Klyuev Group or their complicity in the fraud against Hermitage. Instead, according to the U.S. government, in February 2008, two separate Moldovan bank accounts belonging, respectively, to two Moldovan companies—Bunicon and Elenast—both of which had received some of the Magnitsky money, transferred $942,700 into one of Prevezon's Swiss banks. The transaction was processed by Citibank and USB Stamford through the Southern District of New York.

Katsyv, Litvak, and Krit have all known one another for years, the docket alleges. At the time of the transfers, Krit, aged 22, was the sole shareholder of Prevezon (a personal website for him dated 2013 described him as a science graduate student in Russia), while the beneficial owner of the company was Litvak. In June 2008, Katsv purchased 100 percent interest in the company from Krit for $50,000, despite the fact that Prevezon's accounts by now held more than $2 million in assets.

A public relations firm hired by Katsyv after he took ownership of all of Prevezon's shares later argued that the $942,700 from Bunicon and Elenast went toward a previous deal orchestrated between Krit and a "Mr. Petrov," based on their shared desire to co-develop a property management business together. Krit had to sell his stake in Prevezon to Katsyv, the PR firm also claimed, adding that Prevezon "has at no time had any direct commercial relations with Bunicon or Elenast."

Yet bank documents obtained by the U.S. Attorney's Office show that the purported purpose of the transfers from Bunicon and Elenast's accounts to Prevezon's in February 2008 was for the purchase of 600 units of Italian bathroom equipment. The complaint judges these documents to have been falsified.

A further series of eight wire transfers into Prevezon's account, beginning in February and ending in March 2008, from a different intermediary company that had received the money from Bunicon, were listed as payment for "auto spare parts." These wires added up to $1.1 million.

Collectively, then, Prevezon received about $2 million from Moldovan companies accused of receiving stolen Magnitsky money, all supposedly for the sale of various sanitary products, despite the fact that Prevezon's raison d'être was earlier given as a property management company.

Other suspicious transactions unrelated to the Magnitsky affair are also listed by the U.S. government, again as payments for different types of electronics, car parts and other hardwares. "At all relevant times," reads the complaint, Prevezon "was not in the business of supplying sanitary equipment, auto spare parts, technical equipment, computer equipment, video equipment, home appliances or other goods."